GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3209
ANSWERED ON:11.08.2000
HELP TO TOBACCO FARMERS
Y.S. VIVEKANANDA REDDY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether he had a high level meeting in the month of July, 2000 while reviewing the tobacco purchases from the 21 auction platforms in Andhra Pradesh;

(b) if so, the details thereof;

(c) whether he had directed the Tobacco Board to go for two shifts instead of the present one shift, so that the purchase of tobacco likely to cross 2 million kg;

(d) if so, the extent to which the Government helped the State Governments in lifting the tobacco at minimum support price;

(e) the total quantity provided by manufacturers, the quantity purchased by STC and the extent to which the demand from overseas buyers has been picked up; and

(f) the extent to which the tobacco farmers were helped to meet the hardships faced by them ?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

a) No meeting was held with the Commerce & Industry Minister to review the tobacco purchases in Andhra Pradesh in the month of July, 2000.
b) Does not arise.
c) No, Sir.
d) Tobacco Board resolved to commence Minimum Support Price (MSP) operations for low grade tobaccos whenever prices fall below MSP for respective grades and has procured 27,432 kgs at average price of Rs. 12.08 per kg till 7.8.2000.
e) The total quantity of purchases made by the manufacturers, exporters, STC etc. as on 7.8.2000 is 79.30 million kgs.

f) Following steps were taken to help the farmers :-

i) State Trading Corporation of India Ltd. (STC) was directed tointervene in Andhra Pradesh tobacco auctions to lend buoyancy to tobacco prices in a situation of over supply.

ii) Manufacturers and exporters were persuaded to take active part in auctions and purchase their indicated quantities.

iii) Tobacco Board has entered the market to buy low grade tobaccos at Minimum Support Prices (MSP) in the event of prices falling below MSP in those grades.

iv) A.P. Tobacco Growers Co-Op. Union has also entered the market from 31.7.2000 to buy medium and low grade tobaccos and create competition in the market on the directions of Government of Andhra Pradesh.

v) Allowing farmers to process their FCV tobacco so as to enable them to obtain remunerative prices.

vi) Staggering repayment of loans and providing loans for processing the FCV tobacco.